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World Production and Trade

United States
Department of
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Foreign
Agricultural
Service

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Weekly
Roundup
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Feb. 21, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

TRADE NOTES

In the EUROPEAN COMMUNITY (EC), Guy LeGras, formerly of the French Ministry of Foreign Affairs, has been appointed Director-General of the Agriculture Directorate within the Commission of the EC. He succeeds Claude Villain. With the appointment of LeGras, the EC has completed its selection of the new Commission leadership, which includes President Jacques Delors, Commissioner for Agriculture Frans Andriessen and Commissioner for External Affairs Willy DeClercq.

OILSEEDS AND PRODUCTS

The U.S. agricultural attache in Kuala Lumpur reports preliminary 1984 MALAYSIAN palm oil production of 3.72 million tons, 700,000 tons or 23 percent above 1983. Production for 1985 is estimated at 4.1 million tons. Production in Malaysia has been growing, on average, 10 percent annually since 1980 and now comprises almost 59 percent of world production. Malaysia is actively increasing oil palm area by planting about 60,000 hectares of trees annually. New trees begin production in 30-36 months and reach peak production in 8-10 years.

DAIRY, LIVESTOCK AND POULTRY

SINGAPORE recently reduced the import tax on "bird eggs not in shell and egg yolk" from 88 cents to 10 cents per kilogram. The bakery industry in Singapore uses about 500,000 fresh eggs a day, almost all of which are imported. Due to this import tax reduction, fresh eggs could be replaced by frozen eggs in the future. U.S. exports to Singapore of both fresh and frozen eggs have been erratic in recent years. In 1984, the United States exported only 410,000 fresh eggs to Singapore, valued at \$16,000.

January total meat production on a liveweight basis on state and collective farms in the SOVIET UNION was 8 percent above the 1984 level, according to the U.S. agricultural attache in Moscow. Beef, pork and poultry meat production were up 8, 6 and 10 percent, respectively. Egg production was reported to be 2 percent higher, while milk output gained 0.5 percent.

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On state and collective farms as of February 1, cattle numbers were reported at 94.5 million head, 2 percent above 1984; however, the number of cows was down 1 percent. Hog numbers were 29.5 million compared with 29.7 million a year ago. The number of sheep and goats was down about 2 percent. Poultry numbers were 2.7 percent above the 1984 level.

Good growth in cattle inventories and beef production tend to indicate slaughter weights are being maintained even though feed supplies are estimated to be tighter.

COTTON AND FIBERS

The U.S. agricultural attache in Islamabad estimates PAKISTAN's 1984/85 cotton crop at a record 4.5 million bales, more than double last year's crop. This year's crop benefited from higher support prices, favorable weather conditions, sufficient irrigation water and more efficient production practices.

FRUITS AND VEGETABLES

The office of the U.S. agricultural counselor in Madrid recently surveyed freeze damage to SPAIN's horticultural products. Based on the survey, citrus losses now estimated to total about 1.0 million tons, or about 30 percent of the pre-freeze forecast. Extensive damage to citrus leaves, twigs and branches occurred; trunk damage also is expected. Vegetable crops grown in Mediterranean coastal areas also were hard hit, with losses especially severe for tomatoes, artichokes and iceberg lettuce. Preand post-freeze citrus production estimates and estimates of fruit loss for the 1984/85 season are as follows in 1,000 tons:

Fruit Type	Pre-Freeze Estimate	Fruit Loss	Post-Freeze Estimate
Oranges	1,885	650	1,235
Tangerines	1,026	143	883
Lemons	495	237	258
Other citrus	36	5	31
Total citrus	3,442	1,035	2,407

The loss to Spain's 1984/85 citrus crop is expected to lower fresh fruit exports sharply. Total fresh citrus exports during 1984/85 (October-September) are now forecast at 1,460,000 tons, down 32 percent from the pre-freeze estimate of 2,155,000 tons. Forecasts of 1984/85 fresh fruit exports, with pre-freeze forecasts in parentheses, are as follows in 1,000 tons: oranges -- 550 (1,020), tangerines -- 710 (785), lemons -- 190 (340), other citrus 10 (10). February through end-of-season export availability has been reduced from 550,000 to 80,000 tons for oranges and from 240,000 to 90,000 tons for lemons.

COFFEE, TEA AND COCOA

WORLD 1984/85 cocoa bean production is estimated at 1.81 million tons, 4 percent above the October estimate and 18 percent more than 1983/84 output. Improved weather conditions and higher grower prices were the major reasons for the higher-than-expected production.

Africa's cocoa bean output is forecast up 14 percent from the 1983/84 level. The Ivory Coast's 1984/85 crop is projected to reach a record high, 17 percent more than the drought-reduced crop of last season. Bean size is expected to range from normal to above-normal. The crop in Ghana is expected to increase 10 percent over last year's drought-reduced level because of generally favorable weather, higher grower prices and ongoing government assistance to producers. Weather conditions in Nigeria's cocoa area were near normal following severe bush fires and drought that affected last season's crop. Cameroon's cocoa harvest will likely be higher than last year, but less than the record level set in 1979/80.

South America's 1984/85 cocoa bean production is estimated up 27 percent from the previous harvest. In Brazil, weather conditions were favorable in all states with no significant pod rot damage to the Bahia main crop. The forecast for the season in progress is a record high and 22 percent above the previous year. Most of the increase is expected to occur in the temporao (mid-season) crop with an outturn of 168,000 tons, 56 percent above a year ago. The main crop is expected to be a record high. In Ecuador, a record crop is estimated because of very good flower set and pod formation. Cocoa trees are expected to produce heavily throughout the year. Favorable weather conditions, higher farm prices and improved cultural practices coupled with a delay of the July-September 1984 harvest also have contributed to the projected record crop.

Cocoa bean production in Asia for 1984/85 is estimated to be up 25 percent over last year mainly because of increased output coming from expanded bearing area in Malaysia.

Cocoa bean production for major countries and regions during the October-September crop year is estimated as follows in 1,000 tons:

Country/Region	1983/84	1984/85
Africa:		
Ivory Coast 1/	405.0	475.0
Ghana	159.0	175.0
Nigeria	125.0	150.0
Cameroon	109.0	115.0
Other	56.0	58.7
Total	854.0	973.7
South America:		
Brazil	308.0	375.0
Ecuador	55.0	100.0
Colombia	40.5	41.5
Other	24.6	27.6
Total	428.1	544.1

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Country/Region	1983/84	1984/85
Central American/Caribbean:		
Mexico	38.0	40.0
Dominican Republic	41.5	43.5
Other	16.9	17.9
Total	96.4	101.4
Asia/Oceania:		
Malaysia	90.0	125.0
Papua-New Guinea	30.0	30.0
Other	30.8	32.8
Total	150.8	187.8
World total	1,529.3	1,807.0

1/ Includes marketings from Ghana.

WOOD AND WOOD PRODUCTS

U.S. exports of hardwood logs have fluctuated over the past six years from a high of 712,000 cubic meters (CUM) in 1981 to a low of 422,000 in 1982. The large drop in trade is a result of the economic recession in Europe and the effects of the strong dollar relative to other currencies.

U.S. Exports of Hardwood Sawlogs and
Veneer Logs to Selected Countries
(1,000 cubic meters)

	1979	1980	1981	1982	1983	1984
Japan	37	52	25	26	23	38
Korea	3	8	9	8	13	10
Taiwan	7	8	17	26	42	54
Spain	7	4	4	2	4	2
Switzerland	21	26	11	6	5	4
West Germany	163	253	370	131	156	130
Italy	49	52	20	21	19	19
France	10	10	8	12	7	5
United Kingdom	2	1	2	5	8	21
Other EC-10	25	35	31	22	27	21
Subtotal	317	441	480	233	262	304
Other Countries	266	247	232	189	243	266
Total	583	688	712	422	505	570

Source: U.S. Bureau of Census. 1,000 board feet = 4.53 cubic meters (FAO Conversion Factor).

Log export restrictions imposed recently by tropical hardwood producing countries appear to have had a favorable impact on U.S. hardwood product shipments. Improvements in U.S. hardwood products exports to the United Kingdom (U.K.), Japan and Taiwan, which began in 1983, continued in 1984. Hardwood log exports to the U.K. during 1984 increased to 21,000 CUM, a 163-percent increase over 1983. U.S. hardwood lumber shipments to the U.K. were up 9.6 percent to 52,803 CUM.

U.S. exports of hardwood products to Taiwan were up significantly during 1984: veneer up 109 percent to 4,140 CUM, lumber up 42 percent to 100,904 CUM, and logs up 29 percent to 54,000 CUM (108 percent above total 1982 exports).

Despite a slow economic recovery in Japan, U.S. hardwood log shipments were up 65 percent during 1984 and hardwood lumber exports up 63 percent. The encouraging trend of increasing U.S. hardwood products exports to these countries should continue in the near term if major tropical hardwood suppliers, such as the Ivory Coast and Indonesia, continue to restrict log exports.

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Selected International Prices

Item	: Feb. 19, 1985	: Change from : previous week :	A year ago
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ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			
Canadian No. 1 CWRS-13.5%.9/	185.25	5.04	-5.50
U.S. No. 2 DNS/NS: 14%....	182.00	4.95	-1.00
U.S. No. 2 S.R.W.	160.00	4.35	-5.50
U.S. No. 3 H.A.D.....9/	182.00	4.95	-1.00
Canadian No. 1 A: Durum.9/	193.50	5.27	-.50
Feed grains:			
U.S. No. 3 Yellow Corn....	132.50	3.37	-1.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	236.00	6.42	-6.50
Brazil 47/48% SoyaPellets 4/	154.00	--	-10.00
U.S. 44% Soybean Meal....	150.00	--	-7.50
U.S. FARM PRICES 3/			
Wheat.....	124.18	3.38	-.37
Barley.....	84.97	1.85	+.46
Corn.....	102.36	2.60	-.39
Sorghum.....	93.48	4.24 2/	-.22
Broilers 4/.....	1178.36	--	--
EC IMPORT LEVIES			
Wheat 5/.....	48.15	1.31	-2.15
Barley.....	50.35	1.10	-1.90
Corn.....	44.65	1.13	-.85
Sorghum.....	45.80	1.16	-2.20
Broilers 4/ 6/ 8/.....	149.00	--	-1.00
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	135.90	3.70	-1.35
Bread wheat (min. quality)7/	144.55	3.93	-1.44
Barley and all			
other feed grains.....	135.90	--	-1.35
Broilers 4/ 6/.....	982.00	--	-30.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	N.A.	--	--
Barley.....	N.A.	--	--
Broilers 4/ 6/ 8/.....	88.00	--	-1.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ April-May. 10/ March shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis March delivery.

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